

ASSEMBLY BILL

No. 462

Introduced by Assembly Members Wyland and Zettel

February 21, 2001

An act to add and repeal Sections 17052.55 and 23655 of the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

LEGISLATIVE COUNSEL'S DIGEST

AB 462, as introduced, Wyland. Income and bank and corporation taxes: credits.

The Personal Income Tax Law and the Bank and Corporation Tax Law authorize various credits against the taxes imposed by those laws.

This bill would authorize a credit against those taxes for each taxable year beginning on or after January 1, 2002, and before January 1, 2006, in an amount equal to 50% of the amount paid or incurred during the taxable or income year for qualified expenses, as defined, in connection with lending qualified employees, as defined, to public high schools, or community colleges, in California for the purpose of teaching math or science.

This bill would take effect immediately as a tax levy.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 17052.55 is added to the Revenue and
2 Taxation Code, to read:

1 17052.55. (a) For each taxable year beginning on or after
2 January 1, 2002, and before January 1, 2006, there shall be allowed
3 as a credit against the “net tax,” as defined in Section 17039, an
4 amount equal to 50 percent of the amount paid or incurred during
5 the taxable year for qualified expenses in connection with lending
6 a qualified employee to a public school for the purpose of teaching
7 math or science.

8 (b) For purposes of this section:

9 (1) “Qualified expenses” means all of the following:

10 (A) Amounts paid or incurred by the taxpayer with respect to
11 expenses incurred by or on behalf of a taxpayer’s employee in
12 connection with lending a qualified employee to a public school
13 for the purpose of teaching math or science.

14 (B) Expenses paid or incurred by the taxpayer for the wages of
15 a qualified employee, to the extent those wages are allocable to
16 teaching or preparation time.

17 (2) “Qualified employee” means an employee whose
18 employment duties involve performance of tasks that require
19 upper division post secondary proportion in math, science, or
20 engineering.

21 (3) “Public school” means any high school in this state that is
22 a part of a public school district or any community college in this
23 state that is a part of the California Community College system.

24 (c) A credit shall be allowed under this section only if the
25 teaching is certified by the public school receiving the teaching
26 services. “Certified” means the issuance to the taxpayer of a
27 service record by the public school, verifying receipt of the
28 teaching services. That service record shall contain the employee’s
29 name, dates of teaching service, number of teaching hours, and a
30 verification signature from an authorized agent or designee of the
31 public school.

32 (d) The credit allowed by this section shall be limited to
33 expenses paid or incurred in connection with employees located in
34 this state.

35 (e) No deduction shall be allowed to a taxpayer for that amount
36 of expenses for which a credit is allowed to that taxpayer under this
37 section.

38 (f) In the case where the credit allowed by this section exceeds
39 the “net tax,” the excess may be carried over to reduce the “net

1 tax” in the following year, and succeeding years, if necessary, until
2 the credit is exhausted.

3 (g) No credit shall be allowed under this section with respect to
4 the lending of a qualified employee to a high school unless that
5 employee has filled a vacant teaching position for which no
6 teacher who possesses a preliminary or clear credential with an
7 authorization to teach math or science is available as certified by
8 the employing school district.

9 (h) This section shall remain in effect only until December 1,
10 2006, and as of that date is repealed.

11 SEC. 2. Section 23655 is added to the Revenue and Taxation
12 Code, to read:

13 23655. (a) For each taxable year beginning on or after
14 January 1, 2002, and before January 1, 2006, there shall be allowed
15 as a credit against the “tax,” as defined in Section 23036, an
16 amount equal to 50 percent of the amount paid or incurred during
17 the taxable year for qualified expenses in connection with lending
18 a qualified employee to a public school for the purpose of teaching
19 math or science.

20 (b) For purposes of this section:

21 (1) “Qualified expenses” means all of the following:

22 (A) Amounts paid or incurred by the taxpayer with respect to
23 expenses incurred by or on behalf of a taxpayer’s employee in
24 connection with lending a qualified employee to a public school
25 for the purpose of teaching math or science.

26 (B) Expenses paid or incurred by the taxpayer for the wages of
27 a qualified employee, to the extent those wages are allocable to
28 teaching or preparation time.

29 (2) “Qualified employee” means an employee whose
30 employment duties involve performance of tasks that require
31 upper division post secondary preparation in math, science, or
32 engineering.

33 (3) “Public school” means any high school in this state that is
34 a part of a public school district or any community college in this
35 state that is a part of the California Community College system.

36 (c) A credit shall be allowed under this section only if the
37 teaching is certified by the public school receiving the teaching
38 services. “Certified” means the issuance to the taxpayer of a
39 service record by the public school, verifying receipt of the
40 teaching services. That service record shall contain the employee’s

1 name, dates of teaching service, number of teaching hours, and a
2 verification signature from an authorized agent or designee of the
3 public school.

4 (d) The credit allowed by this section shall be limited to
5 expenses paid or incurred in connection with employees located in
6 this state.

7 (e) No deduction shall be allowed to a taxpayer for that amount
8 of expenses for which a credit is allowed to that taxpayer under this
9 section.

10 (f) In the case where the credit allowed by this section exceeds
11 the “tax,” the excess may be carried over to reduce the “tax” in
12 the following year, and succeeding years, if necessary, until the
13 credit is exhausted.

14 (g) No credit shall be allowed under this section with respect to
15 the lending of a qualified employee to a high school unless that
16 employee has filled a vacant teaching position for which teacher
17 who possesses a preliminary or clear credential with an
18 authorization to teach math or science is available as certified by
19 the employing school district.

20 (h) This section shall remain in effect only until December 1,
21 2006, and as of that date is repealed.

22 SEC. 3. This act provides for a tax levy within the meaning of
23 Article IV of the Constitution and shall go into immediate effect.

